

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: EL PASO FIRE DEPARTMENT

AGENDA DATE: May ²⁸~~14~~, 2013

CONTACT PERSON/PHONE: SAMUEL PEÑA, FIRE CHIEF, 485-5600

DISTRICT (S) AFFECTED: ALL

SUBJECT:

The City Manager be authorized to sign a First Amendment to Agreement between the City of El Paso and Intermedix for Ambulance Billing and Related Services ("Intermedix") to amend the performance guarantees and clarify the calculation methodology originally set forth in the Contract, Request for Proposals No. 2010-181R awarded to Intermedix on December 14, 2010, for the provision of certain transport medical billing, collections and ePCR services.

BACKGROUND / DISCUSSION:

The Fire Department recommends the amendment of this agreement to clarify language in the calculation and methodology of the performance guarantee that is no present in the current form of the contract.

SELECTION SUMMARY:

N/A

PRIOR COUNCIL ACTION:

Yes. Council previously approved this contract on December 14, 2010 at city council, Item 8-B

AMOUNT AND SOURCE OF FUNDING:

Department: Fire Department

No change in the current contract amount of \$3,929,603.28

Funds Available: General Fund – Fire Department –Emergency Medical Support Program

BOARD / COMMISSION ACTION:

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____



CITY CLERK DEPT.
2013 MAY 20 AM 11:42

**COUNCIL PROJECT FORM
(RESOLUTION)**

*******POSTING LANGUAGE BELOW*******

Please place the following item on the **REGULAR** agenda under **RESOLUTIONS** for the Council Meeting of **MAY 28, 2013.**

That the City Manager be authorized to sign a First Amendment to Agreement between the City of El Paso and Intermedix for Ambulance Billing and Related Services to amend the performance guarantees and clarify the calculation methodology originally set forth in the Contract, Request for Proposals No. 2010-181R awarded to Intermedix on December 14, 2010, for the provision of certain transport medical billing, collections and ePCR services.

Department: Fire
Districts(s): ALL

*******ADDITIONAL INFO BELOW*******

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a First Amendment to Agreement between the City of El Paso and Intermedix for Ambulance Billing and Related Services to amend the performance guarantees and clarify the calculation methodology originally set forth in the Contract, Request for Proposals No. 2010-181R awarded to Intermedix on December 14, 2010, for the provision of certain transport medical billing, collections and ePCR services.

ADOPTED this _____ day of _____, 2013.

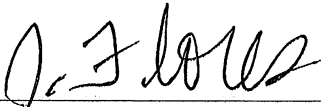
CITY OF EL PASO:

John F. Cook
Mayor

ATTEST:

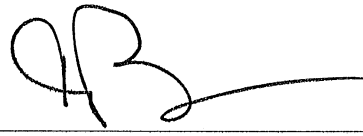
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Josette Flores
Assistant City Attorney

APPROVED AS TO CONTENT:



Samuel Peña
Fire Chief

CITY CLERK DEPT.
2013 MAY 20 AM 11:42

CITY CLERK DEPT.

2013 MAY 20 AM 11:42

STATE OF TEXAS)	
)	FIRST AMENDMENT TO AGREEMENT BETWEEN
)	CITY OF EL PASO AND INTERMEDIX FOR
COUNTY OF EL PASO)	AMBULANCE BILLING AND RELATED SERVICES

THIS FIRST AMENDMENT TO AGREEMENT ("Amendment") is made and entered into this 31st day of March, 2013 (the "Effective Date") by and between The City of El Paso, a Texas municipal corporation, the ("City") and Advanced Data Processing, Inc. (d/b/a Intermedix), a Delaware Corporation with principal offices located at 6451 North Federal Highway, Suite 1002, Fort Lauderdale, Florida 33308 ("Intermedix").

RECITALS

WHEREAS, City issued that certain Request for Proposals, Solicitation No. 2010-181R (the "Solicitation") soliciting the provision of certain transport medical billing, collections and ePCR services;

WHEREAS, Intermedix submitted a proposal in response to the Solicitation dated August 22, 2010 (the "Proposal");

WHEREAS, on December 14, 2010 the El Paso City Council awarded Contract #2010-181R, consisting of the Solicitation and the Proposal, to Intermedix (the "Contract") (collectively, the Contract and this Amendment are referred to in this document as the "Amended Contract");

WHEREAS, the Contract contained certain Performance Guaranteed Collection Percentages ("Performance Guarantees") as required by the Solicitation, proposed by Intermedix in its Proposal and accepted by City in its award of Contract and such Performance Guarantees were based on the data provided by the City as part of the Solicitation based on the information available at the time from the prior contractor;

WHEREAS, the parties have reviewed the data assumptions and determined that certain adjustments needed to be made based on actual payer mix and average transport mileage; and

WHEREAS, the parties desire to enter into this Amendment in order to adjust the Performance Guarantees in the Contract and clarify the calculation methodology used to calculate such Performance Guarantees.

NOW THEREFORE, FOR AND IN CONSIDERATION of the mutual promises and covenants contained herein and for other good and valuable consideration the adequacy and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **PERFORMANCE GUARANTEES.** The parties acknowledge and agree that the Performance Guarantees in the Contract as awarded on December 14, 2010 are set forth in the Exhibit "A", attached hereto and incorporated into this Amendment by reference. The parties further agree that Part I - Guaranteed Collection Percentage was accepted by the City as the applicable Performance Guarantee, and that Part II - Alternative Performance Guarantee was rejected by the City and is hereby deleted and not effective.

2. **ASSUMPTIONS/GUARANTEED COLLECTION PERCENTAGE.** The Solicitation provided data regarding payer mix and average transport mileage based on then-available information which the parties have concluded is inaccurate. The City and Intermedix have reviewed the assumptions regarding the actual payer mix and average transport mileage and have agreed to revise such assumptions as follows:

A) Actual Payer Mix: 36% Medicare, 16% Medicaid, 13% Commercial, 35% Self-pay

B) Average Transport Mileage: 4.9 miles
(no longer assume adjustment for initial mile)

Based on these revised assumptions, the City and Intermedix have recalculated and agree that Guaranteed Collections Percentage in the Contract is hereby revised to read as follows:

Guaranteed Collection Percentage.
Accounts not Transferred from Previous Vendor: 37%

3. **GUARANTEE MEASUREMENT PERIOD.** The Solicitation requires that a twelve (12) month cumulative measurement period ("Measurement Period") be used to determine Intermedix's performance for the purposes of the Guaranteed Collection Percentage and the Performance Guarantee.

The parties agree that each Guaranteed Collection Percentage shall be based upon the accounts created during any calendar year quarter beginning on the first day of each calendar quarter and ending at the end of such quarter ("Calendar Quarter"); provided that, the first Calendar Quarter of the Contract shall mean the period beginning on January 15 and ending on March 31, 2011 ("Initial Quarter"). The parties further agree that Intermedix's collection performance for each Calendar Quarter shall be measured at the end of the Measurement Period which shall be twelve (12) months after the last day of the relevant Calendar Quarter. The initial measurement date, therefore, shall be on April 1, 2012 and shall be based on the accounts created in the Initial Quarter and the collections performance during the Measurement Period.

The City shall have thirty (30) days from the last day of the relevant Calendar Quarter ("Review Period") to review the monthly performance reports submitted during the Measurement Period and to determine whether Intermedix has met the Guaranteed Collection Percentage and the amount, if any, of the Performance Guarantee due to the City. Intermedix shall submit its calculation of the Guarantee percentage no later than ten (10) days from the beginning of the Review Period. During the Review Period, the City and Intermedix shall consult and meet as necessary to clarify any issues in the monthly performance reports and cumulative effect during the Measurement Period and each

party's calculations. On or before the end of the Review Period, the City shall notify Intermedix in writing of the City's determination whether Intermedix has met the Guaranteed Collection Percentage and the amount of the Performance Guarantee due to the City. Intermedix shall pay such Performance Guarantee to the City within fifteen (15) days after the end of the Review Period or the date the City provides the written notice, whichever occurs first. If Intermedix does not initially meet the Guaranteed Collection Percentage, Intermedix shall have two (2) quarters following the end of each Measurement Period to recalculate the collections and recoup any amount paid as a penalty under the Performance Guarantee ("Recoupment Period"). At the end of such Recoupment Period, no further adjustments or recoupment shall be allowed.

4. **SIGNIFICANT CHANGE.** The parties agree that in the event any "Significant Change" (as defined herein) occurs that is outside of the control of Intermedix, such as significant changes in Ambulance Fees or in the healthcare reimbursement amounts due to healthcare reform, the parties shall meet to negotiate an appropriate adjustment in the calculation of the Performance Guarantee to fairly address the external factors that are not related to Intermedix's performance. For the purposes of this provision, "Significant Change" is defined as any factor that causes cumulative changes of more than 5% in Gross Amount Billed or Gross Collections (as such terms are defined in the Solicitation) from the baseline amounts calculated by using the assumptions set forth in the Guaranteed Collection Percentage described in Section 2 of this Amendment, for each Measurement Period described in Section 3 of this Amendment.

Intermedix shall notify City promptly about any Significant Change and the effective date of such Significant Change so that the parties may negotiate the adjustment prior to the calculation for any Measurement Period. Provided that Intermedix has provided such written notice, the parties will recalculate the adjustment and calculation of the Performance Guarantee penalty shall be adjusted retroactive to the date of the notice; if no written notice is provided, the adjustment shall not be made for the relevant Calendar Quarter or Measurement Period.

5. **REMAINING TERMS OF CONTRACT.** Except as set forth herein, the Contract as awarded by the City Council on December 14, 2010, including, but not limited to, the terms and conditions of the Solicitation and specifically Section C (Contract Clauses) of the Solicitation, and the Response submitted by Intermedix and accepted by the City Council, shall continue in full force and effect.

6. **COUNTERPARTS.** The parties may execute this Agreement in one or more counterparts, each of which shall be an original, and which together shall constitute one instrument.

(Signature Page to follow)

